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1970

File

PINE LAKE MINING CO. LTD. (N.P.L.)

■
NOTICE OF ANNUAL MEETING
FOURTH ANNUAL REPORT
INFORMATION CIRCULAR
FINANCIAL STATEMENTS

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P I N E L A K E M I N I N G C O . L T D . [N.P.L.]

616 - 402 West Pender
Vancouver 3, B. C.

May 7, 1971

PROGRESS REPORT

Dear Shareholder:

In April, McDermid, Miller & McDermid took down 90,040 shares of the final 100,000 share option, to net the Pine Lake Treasury 30¢ per share. The above underwriting/option agreement has now been completed and the Company is no longer in primary distribution. A total of \$67,012.00 was realized by the Company through this agreement.

Continuation of the exploration program at the Owl Creek Property, delayed by this year's abnormal snowfall, will begin shortly. Detail geological mapping of the entire 146 claim area will continue to be followed by ground geochemical and geophysical surveys along the indicated extension of the D Zone, for two miles on strike, and on the B Zone. Assuming present negotiations for further financing and/or major company participation are successful, diamond drilling will commence in the D Zone as soon as practical.

Over the past year we have received several proposals from various mining companies, including a letter of intent, but possibly due to the uncertainty surrounding mining in Canada both from a political and business viewpoint, we found the terms of the proposals unsatisfactory.

We are continuing discussions with several major mining companies and will endeavour to conclude an agreement which will allow us to both protect our shareholders' interest and ensure the proper development of the Owl Creek Property.

RAY HRKAC
President

AR27

PINE LAKE MINING CO. LTD. (N.P.L.)
 STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT
 AND ADMINISTRATION EXPENDITURES
 SIX MONTH PERIOD ENDED JULY 31, 1970
 (with comparative figures for 1969)

	<u>1970</u>	<u>1969</u>
Exploration and development		
Pemberton area		
Assays	-	\$ 1,925
Camp operation	\$ 245	2,155
Consulting	525	-
Drilling	-	22,734
Recording and registration of claims	2,329	-
Survey	1,000	2,000
Roads (1970 amount includes government share of costs amounting to \$2,925)	(1,921)	612
Truck operation	420	196
Wages and salaries	8,753	7,960
	<u>11,351</u>	<u>37,582</u>
Administration		
Accounting	1,050	895
General administration	1,493	3,388
Legal and audit	925	1,000
Shareholders' information	11	267
Transfer agent's fees and expenses	260	2,056
	<u>3,739</u>	<u>7,606</u>
Deduct miscellaneous revenue	908	2,192
	<u>2,831</u>	<u>5,414</u>
NET EXPENDITURES INCURRED IN THE PERIOD	14,182	42,996
Balance deferred at beginning of period	263,361	103,709
BALANCE DEFERRED AT END OF PERIOD	<u>\$277,543</u>	<u>\$146,705</u>

The above figures are subject to annual audit and year-end adjustments.

PINE LAKE MINING CO. LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SIX MONTH PERIOD ENDED JULY 31, 1970
(with comparative figures for 1969)

	<u>1970</u>	<u>1969</u>
SOURCE OF FUNDS		
Issue of common shares for cash	<u>-</u>	<u>\$66,303</u>
APPLICATION OF FUNDS		
Acquisition of fixed assets	-	5,909
Acquisition of mining properties	\$ 505	4,650
Exploration, development and administration expenditures	<u>14,182</u>	<u>42,996</u>
	<u>14,687</u>	<u>53,555</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(14,687)	12,748
WORKING CAPITAL AT BEGINNING OF PERIOD	<u>29,181</u>	<u>48,576</u>
WORKING CAPITAL AT END OF PERIOD	<u>\$14,494</u>	<u>\$61,324</u>

The above figures are subject to annual audit and year-end adjustments.

PINE LAKE MINING CO.LTD. (N.P.L.)
717 - 402 West Pender Street,
Vancouver 3,B.C.

NOTICE OF ANNUAL GENERAL MEETING

To the Shareholders:

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of the Shareholders of Pine Lake Mining Co.Ltd. (N.P.L.) will be held at the Ascot Room, Devonshire Hotel, 849, West Georgia Street, Vancouver, British Columbia, on Tuesday, July 21, 1970, at the hour of 2:00 o'clock in the afternoon, for the following purposes:

1. To receive and approve the report of the Directors, the financial statements of the Company made up to January 31, 1970 and the report of the Auditors thereon.
2. To fix the number of Directors at five (5) and to elect Directors for the ensuing year.
3. To appoint Auditors for the ensuing year and authorize the Directors to fix their remuneration.
4. To confer a general authority on the Directors (expiring at the next Annual General Meeting of the Company unless then continued by ordinary resolution) to take or acquire by purchase or otherwise any shares in any other corporation.
5. To consider and, if thought fit, pass an ordinary resolution as follows:-

" RESOLVED that the Directors be and are hereby authorized to grant to such of the Directors and full time employees of the Company as the Directors may from time to time determine an option to purchase shares of the Company at the price prevailing at the date of granting any such option, such options to be exercised over a period of not less than three years and be non-cumulative and that the total amount of shares to be included in such options shall not exceed 5% of the issued capital of the Company at the time of granting such options and provided further that at the time of the exercise of any such option or a portion thereof the persons to whom such options have been granted still retain their positions with the Company as Directors or full time employees as the case may be. "

6. To transact such other business as may properly be brought before the meeting and at any and all adjournments thereof.

Copies of the report of the Directors, financial statements and the Auditors' report thereon to be presented to the meeting are enclosed herewith.

DATED at Vancouver, British Columbia, this 8th day of July, 1970.

ON BEHALF OF THE BOARD

A. G. BELLINGER
Secretary

DIRECTORS REPORT TO SHAREHOLDERS

On behalf of the directors of Pine Lake Mining Co. Ltd. (N.P.L.) I present to you the Fourth Annual Report for the year ended January 31, 1970.

Enclosed herewith is the report of the Auditors for the Company for the fiscal year.

During the past year the Company sold 221,010 shares at 30¢ per share through a shareholders rights offering and 100,000 shares at \$1.00 per share through an underwriting. These transactions raised a total of \$166,303.00 and increased the issued capital of the Company to 1,393,915 shares.

A highlight of the year was the listing of the Company on the Vancouver Stock Exchange.

Exploration for the year was concentrated on the Harrison Property at Owl Creek, 100 miles north of Vancouver near Pemberton, B.C. The property consists of 146 claims covering an area 7 miles long by 1 1/2 miles wide. Four zones containing copper mineralization have been found on the property to date.

Approximately \$150,000 was spent on the exploration of this property for claim staking, camp facilities, line cutting, geological mapping, geochemical soil and silt sampling, magnetometer surveys, Induced Polarization survey, assaying, the building of 4 miles of road, and 7,775 feet of diamond drilling.

Attached herewith is a report on exploration with drill results.

A second report has been received from Dr. Bacon of Bacon & Crowhurst Ltd., Consulting Engineers, recommending the continuation of the exploration program at an estimated cost of \$95,000.

Portions of the Port Hardy properties were kept in good standing.

On behalf of the board I would like to thank the shareholders for their support and interest during the past year.

ON BEHALF OF THE BOARD

R. A. HRKAC

PRESIDENT.

The four zones A, B, C & D lie adjacent to and along a major NW-SE fault structure. The D Zone is 1/2 mile N.W. of the C-Zone, the C-Zone is 2 miles NW of the B Zone and the B Zone is 1/2 mile NW of the A Zone. The A & B zones are located in the steeper portions of the Owl Creek Valley whereas the more open topography at the C and D Zones would allow for exploitation of mineral deposits by open pit methods.

The A Zone at an elevation of 2500' is the southeastern most of the zones. Although the mineralized outcrop extends for 1000 feet, last year's exploration was limited to the drilling of one 958' diamond drill hole at -72 1/2°. Copper values were low with 600 feet of core length averaging 0.20% Cu.

The B Zone at approx. 2700' elevation contains copper mineralization that can be traced by outcrops for a distance of 800 feet. Silt sampling indicates a large anomalous copper area at this zone. No work was carried out on B last year.

The bulk of the exploration and drilling effort was on the C-Zone. A portion of the anomalous area was tested by diamond drilling 8 holes. The holes were S25°W at -60° except for C-8 which was at -45°. The holes were drilled off a S65°E section with C-7 200' back of the section and C-8 100' forward of the section. The drilling was done at 200' intervals except for C-5 which was a 600' stepout. The order of the holes from NW to SE is C-7, C-6, C-1, C-2, C-8, C-3, C-4 and C-5.

The results of the drilling are as follows:-

Hole C-1 - Depth 1, 112 feet

90' - 140'	= 50'	- 0.150% Cu.	- 0.004% MuS2
320' - 650'	= 330'	- 0.399%	- 0.029

Hole C-2 - Depth 896 feet

100' - 144'	= 44'	- 0.207% Cu.	- 0.008% MuS2
150' - 220'	= 70'	- 0.402	- 0.002
220' - 275'	= 55'	- 0.239	- 0.002
360' - 410'	= 50'	- 0.346	- 0.004
550' - 707'	= 157'	- 0.498	- 0.034

Hole C-3 - Depth 929 feet

280' - 290'	= 10'	- 0.210% Cu.	- 0.006% MuS2
320' - 330'	= 10'	- 0.200	- 0.004
360' - 380'	= 20'	- 0.205	- 0.001
500' - 520'	= 20'	- 0.215	- 0.006
810' - 820'	= 10'	- 0.210	- 0.007
850' - 900'	= 50'	- 0.250	- 0.003

Hole C-4 - Depth 976 feet

240' - 270'	= 30'	- 0.226% Cu.	- 0.002% MuS2
420' - 460'	= 40'	- 0.205%	- 0.009
810' - 835'	= 25'	- 0.222	- 0.006

Hole C - 5 - Depth 735 feet

Nothing over 0.20% Cu.

Hole C - 6 - Depth 705 feet.

50' - 100'	=	50'	- 0.272% Cu.	- 0.004% MuS2
290' - 490'	=	200'	- 0.231	- 0.007
540' - 550'	=	10'	- 0.220	- 0.001
560' - 590'	=	30'	- 0.200	- 0.001

Hole C - 7 - Depth 800 feet

295' - 305'	=	10'	- 0.07% Cu.	- 0.055% MuS2
335' - 345'	=	10'	- 0.14	- 0.042
470' - 506'	=	36'	- 0.277	- 0.014
550' - 545'	=	95'	- 0.223	- 0.015
690' - 700'	=	10'	- 0.25	- 0.010

Hole C - 8 - Depth 664'

55' - 100'	=	45'	- 0.293% Cu.	- 0.012% MuS2
130' - 190	=	60'	- 0.258	- 0.007
220' - 250'	=	30'	- 0.220	- 0.007
580' - 630'	=	50'	- 0.214	- 0.018

The above drilled portion of C-Zone represents continuous mineralization over a length of 1000 feet and extending from surface to a vertical depth of over 500 feet. Additional drilling is required to explore the untested portion of C-Zone and fill in drilling to establish tonnage and grade of the known mineralized zone.

The D-Zone consists of a geochemical anomaly 3000 feet in length, slightly larger in extent than the C-Zone, and is a target area for further drilling.

Despite the intensive exploration and expenditure only a portion of two of the four zones has been explored in detail.

PINE LAKE MINING CO.LTD. (N.P.L.)
717 - 402 West Pender Street,
Vancouver 3, B.C.

INFORMATION CIRCULAR AS AT
JULY 8, 1970

This information circular is furnished in connection with the solicitation of proxies by the management of Pine Lake Mining Co.Ltd. (N.P.L.) (the "Company") for use at the Annual General Meeting of the Company to be held on Tuesday, the 21st day of July, 1970, at the time and place and for the purposes set forth in the notice of meeting.

REVOCABILITY OF PROXY

A proxy may be revoked by instrument in writing executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a corporation, under its common seal or by an officer or attorney thereof duly authorized, and deposited at either the registered office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of such meeting on the day of the meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

PROVISIONS RELATING TO VOTING

The shares represented by a proxy in the form enclosed will be voted.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations on the matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the meeting.

The Company is authorized to issue 5,000,000 shares without nominal or par value of which 1,393,915 are issued and outstanding as fully paid and non-assessable. All shares of the capital of the Company are of the same class and carry one vote. Shareholders desiring to be represented by proxy at the meeting must deposit their proxy forms at Crown Trust Company, 455 Howe Street, Vancouver, British Columbia, before 4:00 o'clock in the afternoon (Vancouver Time) on Monday, the 20th day of July, 1970. Any person who is the registered holder of one share of the Company at the commencement of the meeting will be entitled to vote at the meeting.

To the knowledge of the Directors and senior Officers of the Company there are no persons or companies holding more than 10% of the outstanding voting shares of the Company.

ELECTION OF DIRECTORS

The Directors of the Company are elected annually and hold office until the next Annual General Meeting of Shareholders or until their successors in office are duly elected.

The management of the Company proposes to nominate the persons listed below for election as Directors of the Company to serve until the next Annual General Meeting or until their Successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to this solicitation by the management of the Company will be voted for the nominees listed in this circular two of whom are presently Directors of the Company.

Set forth hereunder are the names of the three persons proposed to be nominated for election as Directors.

<u>Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director since</u>	<u>Shares Beneficially Owned</u>
Raymond A.Hrkac	Geologist with Pine Lake Mining Co.Ltd. (N.P.L.)	Apr.16,1966	9,000
Alfred G.Bellinger	Secretary-Treasurer for Canadian Stevedoring Company Limited	Feb. 2,1966	30,000
Robert R.Dodd	Lawyer, Partner - Andrews & Swinton, Barristers & Solicitors	-	Nil

APPOINTMENT OF AUDITORS

Thorne, Gunn, Helliwell & Christenson and their predecessors, Helliwell, MacLachlan & Co., have been Auditors of the Company since the 2nd day of February, 1966 and management intends to nominate them for re-appointment as Auditors of the Company. Forms of proxy given pursuant to this solicitation by the management of the Company will be voted for their re-appointment at a remuneration to be fixed by the Directors.

REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate direct remuneration paid or payable by the Company to the Directors and senior Officers of the Company during the last fiscal year was \$15,960.00.

OTHER MATTERS TO BE ACTED UPON

It is not known that any other matters will come before the meeting other than as set out in the Notice of Meeting but if such should occur, the persons named in the accompanying proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

Thorne,
Gunn,
Helliwell
& Christenson

HELLIWELL, MACLACHLAN & CO.
GUNN, ROBERTS & CO.

CHARTERED ACCOUNTANTS

VANCOUVER PARTNERS		
W. R. C. PATRICK	D. J. KELSEY	G. M. MILLER
J. M. MOYNES	B. FAHY	W. G. MITCHELL
H. B. SMITH	R. E. BURRELL	G. SPARE
R. G. STEWART	J. C. MCKINNEY	K. S. GUNNING
D. G. USHER		J. G. HALPIN

CONSULTANTS	
J. L. HELLIWELL	H. H. ADAIR

AUDITORS' REPORT

To the Shareholders of

Pine Lake Mining Co. Ltd. (N.P.L.)

We have examined the balance sheet of Pine Lake Mining Co. Ltd. (N.P.L.) as at January 31, 1970 and the statements of deferred exploration, development and administration expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at January 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne, Gunn, Helliwell & Christenson

February 9, 1970

Chartered Accountants

BOARD OF TRADE TOWER
1177 WEST HASTINGS STREET
VANCOUVER 1, B.C.
TELEPHONE: (604) 685-3511

OFFICES THROUGHOUT CANADA AND ASSOCIATES THROUGHOUT THE WORLD

PINE LAKE MINING CO. LTD. (N.P.L.)
(Incorporated under the laws of the Province of British Columbia)

BALANCE SHEET AT JANUARY 31, 1970
(with comparative figures at January 31, 1969)

ASSETS	<u>1970</u>	<u>1969</u>
CURRENT ASSETS		
Cash	\$ 4,130	\$ 8,220
Short-term deposit	20,000	40,000
Accounts receivable	356	356
Deposit	5,000	-
	<u>29,486</u>	<u>48,576</u>
FIXED ASSETS, at cost	<u>8,939</u>	<u>2,484</u>
MINING PROPERTIES, at cost		
La Berge area	10,155	10,155
Port Hardy area	310	310
Pemberton area (note 1)	21,741	2,150
	<u>32,206</u>	<u>12,615</u>
DEFERRED CHARGES		
Incorporation expenses	2,057	2,057
Exploration, development and administration expenditures	263,361	103,709
	<u>265,418</u>	<u>105,766</u>
	<u>\$336,049</u>	<u>\$169,441</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	<u>\$ 305</u>	<u>-</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK		
Authorized		
5,000,000 Common shares of no par value		
Issued		
1,393,915 Shares (January 31, 1969 -		
1,072,905) (note 2)	414,758	\$248,455
DEFICIT	<u>(79,014)</u>	<u>(79,014)</u>
	<u>335,744</u>	<u>169,441</u>
	<u>\$336,049</u>	<u>\$169,441</u>
Approved on behalf of the Board		

Director

A. E. Bellinger

Director

Ray Mac

PINE LAKE MINING CO. LTD. (N.P.L.)
STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT
AND ADMINISTRATION EXPENDITURES
YEAR ENDED JANUARY 31, 1970

Balance deferred at beginning of year		\$103,709
Expenditures during year		
Exploration and development		
Pemberton area	\$144,080	
Port Hardy area	2,500	
Administration	13,072	
		<u>159,652</u>
BALANCE DEFERRED AT END OF YEAR		<u><u>\$263,361</u></u>

PINE LAKE MINING CO. LTD. (N.P.L.)
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
YEAR ENDED JANUARY 31, 1970

SOURCE OF FUNDS		
Issue of 321,010 common shares for cash		\$166,303
APPLICATION OF FUNDS		
Acquisition of fixed assets	\$ 6,455	
Acquisition of mining properties	19,591	
Exploration, development and administration expenditures	159,652	
		<u>185,698</u>
DECREASE IN WORKING CAPITAL		19,395
WORKING CAPITAL AT BEGINNING OF YEAR		<u>48,576</u>
WORKING CAPITAL AT END OF YEAR		<u><u>\$ 29,181</u></u>

PINE LAKE MINING CO. LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JANUARY 31, 1970

1. PEMBERTON AREA MINING PROPERTY

By agreement dated October 16, 1968 the company obtained an exclusive five year option to purchase certain mineral claims in the Pemberton area of British Columbia. The purchase price is \$100,000 and 100,000 common shares from the company's treasury on exercising the option and \$1,000,000 at the rate of five cents for each short ton of ore mined and concentrated from the claims.

In order to keep the option in good standing the company is required, during the period of the option, to spend \$20,000 on development of the claims, make cash instalments of \$100,000 and deliver 100,000 shares; all of which will be applied against the purchase price if the option is exercised. Cash instalments totalling \$20,000 have been made to date.

2. CAPITAL STOCK

Transactions in the capital stock account during the year ended January 31, 1970 and capital stock issued at January 31, 1970 may be summarized as follows:

	<u>Number of shares</u>	<u>Value of consideration</u>
Transactions during year		
Issued at January 31, 1969	1,072,905	\$248,455
Issued during year for cash under		
- a rights offering	221,010	66,303
- an underwriting	100,000	100,000
	<u>1,393,915</u>	<u>\$414,758</u>
Issued at January 31, 1970		
For cash	1,261,915	400,758
For mineral claims	130,000	13,000
In settlement of liabilities	2,000	1,000
	<u>1,393,915</u>	<u>\$414,758</u>

3. DIRECTORS' REMUNERATION

Directors' remuneration for the year totalled \$15,960, representing the salaries of the company's geologist and the company's engineer.

PINE LAKE MINING CO. LTD. (N.P.L.)

EXPLORATION, DEVELOPMENT AND ADMINISTRATION EXPENDITURES

SCHEDULE

YEAR ENDED JANUARY 31, 1970

Exploration and development		
Pemberton area		
Construction of buildings on property	\$ 3,379	
Assays	6,467	
Camp operation	8,199	
Consulting	724	
Drilling	86,594	
Recording and registration of claims	911	
Survey	5,553	
Roads	5,941	
Truck operation	1,060	
Wages and salaries	25,252	
		\$144,080
Port Hardy area		
Recording and registration of claims		2,500
Administration		
Accounting	2,539	
General administration	3,963	
Legal and audit	4,477	
Shareholders' information	649	
Transfer agent's fees and expenses	2,629	
Stock exchange fees	2,500	
	16,757	
Deduct miscellaneous revenue	3,685	
		13,072
		\$159,652

